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and LBG Medford, LLC

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION,  
et al.,<sup>1</sup>

Debtors.

Chapter 11  
Case No. 18-23538 (RDD)  
(Jointly Administered)

**LBG HILLTOP, LLC'S CURE CLAIM OBJECTION  
FOR STORE NO. 1788 (RICHMOND, CALIFORNIA)**

LBG Hilltop, LLC ("LBG Hilltop") pursuant to the *Order Approving Global Bidding Procedures and Granting Related Relief*, dated November 19, 2018 ("Global Bidding Procedures Order") hereby submits its cure claim objection ("Cure Claim Objection") under Section 365(b) of title 11, United States Code ("Bankruptcy Code") for cure of defaults resulting from Sears Corporation's proposed assumption and assignment of an unexpired nonresidential real property lease for Sears Going Concern Store No. 1788 (Item 108) located in Richmond, California.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); [BlueLight.com](http://BlueLight.com), Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); [Kmart.com](http://Kmart.com) LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1. On October 15, 2018 (“Petition Date”), Sears Holdings Corporation and several of its affiliates filed voluntary petitions under chapter 11 of the Bankruptcy Code.

2. As of the Petition Date, LBG Hilltop was the landlord and Sears Corporation (“Debtor”) was the tenant under a lease of nonresidential real property located in Richmond, California (Sears Store No. 1788) dated as of December 29, 1989, as amended and modified from time to time (“Lease”).

3. On January 18, 2019, the Debtor served LBG Hilltop with its *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* (“Assumption Notice”).<sup>2</sup>

4. In the Assumption Notice, the Debtor indicated that the Lease may be assumed and assigned in connection with the sale of the Global Assets and asserted that no Cure Amount was due under the Lease.

5. In order to assume the Lease, the Debtor must cure any defaults and provide evidence of assurance of future performance under the terms of Lease, including the obligation to continue to operate Sears Store No. 1788 at the site. LBG Hilltop objects to the extent that the Debtor has failed to provide adequate assurance of future performance.

6. This Cure Claim Objection is without prejudice to the fact that other and additional cure claim amounts: (a) may exist and/or may become known at a future date; and (b) will accrue on an ongoing basis between the filing of this Cure Claim Objection and any subsequent assumption of the Lease. LBG Hilltop expressly reserves its right to amend or supplement its Cure Claim Objection through and including the effective date of any proposed


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<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Assumption Notice.

assumption and assignment of the Lease, and LBG Hilltop further reserves the right to object to the failure to make a proper showing of the assurance of future performance under the Lease.

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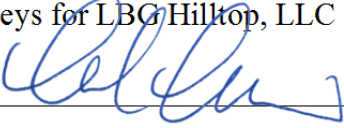
Dated: January 25, 2019  
Los Angeles, CA

**CERTIFICATE OF SERVICE**

I hereby certify that on January 25, 2019, I caused to be served a true and correct copy of the attached **LBG HILLTOP, LLC'S CURE CLAIM OBJECTION FOR STORE NO. 1788 (RICHMOND, CALIFORNIA)** via transmission of Notice of Electronic Filing generated by CM/ECF on all parties of record.

**FREEMAN, FREEMAN & SMILEY, LLP**  
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